

DIRECTIVE

WORKFORCE INVESTMENT ACT

Number: WIAD04-23

Date: June 16, 2005
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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: IMPACT OF MLS CHANGE ON PY 2005-06 DISLOCATED WORKER
ALLOCATIONS

EXECUTIVE SUMMARY:

Purpose:

This directive announces the opportunity for Local Workforce Investment Areas (LWIAs) to apply for supplemental funding if their Program Year (PY) 2005-06 Dislocated Worker (DW) formula allocations were negatively affected by a change in the Mass Layoff Statistics (MLS) used to calculate these allocations. The directive is applicable only to PY 2005-06 DW allocations.

Scope:

This directive applies to those LWIAs whose funding was negatively affected by changes in the DW allocation formula data.

Effective Date:

This directive is effective immediately.

REFERENCES:

- Workforce Investment Act (WIA) Sections 133 (b)(2)(B)
- Title 20, Code of Federal Regulations, Section 637.130(e)
- WIA Information Bulletin WIAB04-96, Formula Allocations for PY 2005-06 and Federal Rescission for PY 2004-05 (April 26, 2005)

STATE-IMPOSED REQUIREMENTS:

This directive only contains State-imposed requirements.

FILING INSTRUCTIONS:

This directive finalizes WIA Draft Directive WIADD-98, issued for comment on May 25, 2005. Retain this directive until further notice.

BACKGROUND:

The Workforce Development Branch (WDB) has been working to determine the affect on PY 2005-06 DW funding allocations resulting from a change in the MLS data used to calculate these allocations and to identify actions that might be possible to mitigate any negative impacts resulting from this change.

Due to funding reductions and other changes implemented by the U.S. Bureau of Labor Statistics, the WDB's Labor Market Information Division (LMID) no longer collects MLS for the "agricultural, forestry, fishing and hunting," and "government" industry sectors. The MLS comprise one-fourth (25 percent) of the DW formula allocation methodology. Attachment 1, Definition, Source, and Method of Calculating Factors for Within State Allocations of PY 2005-06 WIA Funds provides a detailed description of this methodology including information on the MLS component.

The LMID has not gathered MLS data on "agricultural, forestry, fishing and hunting," and "government" industry sectors since January 1, 2004. As a result, the WDB cannot precisely determine what PY 2005-06 DW allocations would have been if these data had been included. However, the WDB developed various allocation models that recalculated allocations using historical data as "substitute" data to identify the effect of not having these data available to calculate DW allocations.

POLICY AND PROCEDURES:

After developing and considering various data substitutes, it appears that using a six-year average (calendar years 1998 through 2003) of MLS data provides the most representative substitute for the missing data. The results generated by using these data to estimate PY 2005-06 DW allocations are included on Attachment 2. This Attachment provides the estimated allocations and relative impact of not having all of the MLS data available. Based on these results, it appears that 21 local areas were negatively affected; these are the LWIAs with a negative number noted in column D on Attachment 2.

In an effort to provide relief to the 21 LWIAs negatively impacted by this situation, the WDB is pursuing the possibility of providing them additional DW funding. The LWIAs that were negatively impacted can be considered for additional DW funding by completing Attachment 3 to this directive. Attachment 3 is a DW Funding Augmentation Request that can be used to justify and request funding up to the estimated funding loss (Attachment 2, Column D). Eligible LWIAs must complete and return this funding application by close of business, Friday, **June 10, 2005**, to have it considered. At that time, WDB staff will submit for consideration, a DW Additional Assistance funding request for a total amount reflecting all funding applications deemed to have merit.

Please be advised that funding is not guaranteed and will depend on the WDB securing authority to make these funding augmentations. Additionally, WDB assumes that this will be a one-time remedy and will not be repeated in the future. There will be no

changes to the remaining LWIA PY 2005-06 WIA DW formula allocations as identified in WIA Information Bulletin [WIAB04-96](#), Formula Allocations for PY 2005-06 and Federal Rescission for PY 2004-05, issued April 26, 2005.

ACTION:

Bring this directive to the attention of affected staff.

INQUIRIES:

If you have any questions, please contact your [Regional Advisor](#) at (916) 653-6347.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division

Attachments are available on the Internet:

1. [Definition, Source, and Method of Calculating Factors for Within State Allocations of PY 2005-06 Workforce Investment Act \(WIA\) Funds](#) (PDF) (116k)
2. [Estimated PY 2005-06 Dislocated Worker Allocations Using a Six-Year \(1998-2003\) Average of MLS Data](#) (PDF)
3. [Dislocated Worker Funding Augmentation Request](#) (DOC)